

**BEFORE THE  
UNITED STATES  
DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, D.C.**

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<b>In Re:</b>	)	
<b>FAA Request for Comments</b>	)	<b>Docket #: FAA-2001-9852</b>
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**Comments of the  
National Air Carrier Association, Inc.**

**On**

**The Federal Aviation Administration's**

**Request for Comment**

**on**

**Alternative Policy Options For Managing  
Capacity And Mitigating Congestion And Delay At LaGuardia Airport (LGA)**

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**July 12, 2001**

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**Comments of the  
National Air Carrier Association, Inc.  
With regard to  
Alternative Policy Options For Managing  
Capacity And Mitigating Congestion And Delay At LaGuardia Airport (LGA)**

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The National Air Carrier Association, Inc. (NACA), on behalf of our member carriers<sup>1</sup>, is pleased to provide the following comments on the proposed policy options for managing capacity at LGA Airport.

We understand and our member airlines are significantly impacted by the many capacity problems faced at LGA and several other high-density airports around the nation. As the FAA has stated, delays at LGA can quickly proliferate throughout the entire aviation system, causing

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<sup>1</sup> Air Transport International, American Trans Air, Champion Air, Falcon Air Express, Gemini Air Cargo, Miami Air International, North American Airlines, Omni Air International, Ryan Air International, and World Airways.

delays and ground holds across significant portions of the country. We believe that, as aviation operations continue to grow in the U.S. and abroad, similar capacity issues will proliferate at other major airports unless immediate and sustained actions are planned and implemented.

The general deterioration in airline efficiency and the quality of the air travel experience for the general public brought about by these capacity issues has predictably and understandably generated increasingly intense pressures for governmental intervention. While the focus of this request for comments is LaGuardia Airport, public demands for changes have also been manifested in calls for new public laws outlining a Passenger Bill of Rights and other legislative and regulatory activities. Those demands, and the proposals suggested within this particular request for comments are, in general, a call for re-regulation of the airline industry, when in fact, these current conditions at LaGuardia and other U.S. airports are a testimony to the tremendous success of airline deregulation. They are also a correspondingly unfortunate testimony to the general failure of the U.S. Government and, to a lesser extent the airline industry, to provide the necessary system capacity to accommodate our success. Thus, we must not exclude the possibility that the truly efficient, long-term solution may be to remove the provision of infrastructure services from the Government by "corporatization" or privatization of ATC services.

NACA and its member carriers do not generally endorse government intervention. We were early, and are continuing, supporters of airline deregulation. For example, in 1977, NACA was a leader in advocating deregulation of the cargo airline industry. The following

year, in 1978, NACA was the leadoff witness in the Senate Judiciary Committee and later the Commerce Committee in support of total domestic airline deregulation. Thus any solutions that are chosen for LaGuardia must be of a temporary nature, and the long-term goal should be to increase competition, efficiently price infrastructure and provide sufficient capacity for continued growth of air transportation in the United States.

In the near term, it is clear that added competition will not solve the LaGuardia capacity issue, and other solutions must be implemented. In the recent national debate over these capacity issues, there have been a number of tools proposed for resolving these issues. Some stakeholders have recommended technology solutions, while others have recommended aircraft size restrictions, demand management options or administrative limitations. We believe that the Government, airport authorities and the aviation industry will have to exercise some combination of all of the above to assure a safe, efficient level of operations at our major airports until the infrastructure can be appropriately expanded. Thus we applaud the FAA for the recommended solutions herein, and we pledge our continued participation and support in formulating strategies that offer the best possibility for reducing delays, improving airport capacity management, and promoting the long-term efficiency of the overall aviation system.

NACA and its member carriers believe that slot controls and peak hour pricing are essential for capacity management at LGA for the foreseeable future. There is little or no opportunity to expand the runway system at LGA. As pointed out, recent events have already proven

that without a controlled environment for aircraft to utilize the LGA facilities, local and distant operations could come to a grinding halt during emergencies, inclement weather, or peak hours of operation.

We concur that, where capacity is available, an extension of the lottery is warranted, as it appears to represent a fair means to distribute available slots. On the other hand, we would be adamantly opposed to a slot auction as proposed by many, because the value of a slot is likely to be significantly higher to preserve a dominant carrier's position than it would be for a new entrant offering low cost services. NACA supports the lottery option recommended by the FAA.

Concerning the "congestion fee" options offered by the Port Authority, we support a modification to Option A as shown in the edited text that follows:

**"Option A contemplates that the restrictions imposed by the HDR would remain in effect until 2007 and that the FAA would increase the number of slot exemptions under AIR-21. The PANYNJ would levy the same congestion fee on all aircraft operations (both landings and take-offs), including operations conducted under HDR authority, that occur during the Congested Period at LGA, ~~except for a limited number of AIR-21 flights that would be exempted from the fee.~~ The PANYNJ anticipates that the FAA would conduct a lottery (in the same manner as it conducted the initial AIR-21 slot exemption lottery in December 2000) to allocate three additional AIR-21 slot exemptions per hour for use for qualified AIR-21 operations. The congestion fee would be set to discourage the actual operation of flights beyond the hourly operations target. Each year thereafter, the FAA would conduct another lottery to allocate additional slot exemptions for qualified AIR-21 operations."**

We believe the congestion fees should be imposed on all operations, commercial or general aviation, conducted during the targeted hours.

We would encourage the FAA to select a congestion fee scheme that is revenue neutral, or as nearly so as the current situation permits. Specifically, congestion fees collected should be used to offset the landing fees in the non-congestion period at LaGuardia and to incentivise operators in the congestion period to divert operations to either the LGA non congestion period or to other nearby airports.

We realize there may be excess congestion fees available in this scheme, and it will not be truly revenue neutral. Any remaining fees should go first to The Port Authority for managing the program (up to 15% of total congestion fees collected), and the remaining fees allocated to the Aviation Trust Fund. We realize this solution requires a change to Public Law to permit this new fee to be allocated to the Aviation Trust Fund, and NACA would lead that effort, if necessary.

The Port Authority of New York and New Jersey proposes to retain all of the peak hour fees collected under this scheme. We do not agree with that request as solutions to the LaGuardia capacity issue go well beyond the boundaries and responsibilities of The Port Authority. However, most, if not all, of the solutions, including solutions to any related issues at the three other airports managed by The Port Authority, are eligible for funds from the Aviation Trust Fund. Beyond the management fee, if the Port Authority needs added revenues from operations, they should be defended on specific merit.

In agreeing that these particular actions are necessary at LGA, we want to stress that LGA is unique, as other airports are. It has been pointed out "that each of the airports under the management of The Port Authority of New York and New Jersey plays a different role, is targeted for different users and each is designed to accommodate different types of operations." We would add that this is also true across for airports across the nation.

Furthermore, there may be an entirely different mix of stakeholders at a different airport under consideration. Thus when the time comes to focus on improvements at our nation's other busy airports, it may be necessary to implement totally different strategies and solutions. Thus we want to caution the FAA not to adopt a "one-size-fits-all" approach for controlling congestion and capacity at our nation's airports. We will need to address the specific needs of each airport one airport at a time.

Again, we applaud you for your efforts and thank you for an opportunity to express our views.

Respectfully Submitted,

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Ronald N. Priddy  
President  
National Air Carrier Association